

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: February 1-2, 2006

Reference No.: 2.5d.
Action Item

From: CINDY McKIM
Chief Financial Officer

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Transportation Programming

Ref: **FINANCIAL ALLOCATION FOR PROJECTS THAT EXCEED 20 PERCENT OF THE
PROGRAMMED AMOUNT
RESOLUTION FP-05-58**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the following resolution.

FINANCIAL RESOLUTION:

Resolved, that \$41,330,000 be allocated from the Budget Act of 2005, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide funds for the projects listed below. These major construction projects proposed for funding are included in the State Highway Operation and Protection Program.

SUMMARY AND CONCLUSIONS:

This resolution allocates State and federal funds of \$41,330,000 for three new major construction projects programmed in the State Highway Operation and Protection Program (SHOPP). The projects have construction costs that exceed, by more than 20 percent, the programmed amount of \$26,734,000.

| Project # Allocation Amount Recipient County Dist-Co-Rte Postmile | Location Project Description Project Support Expenditures | EA (PPNO) Program/Year Prog. Amount | Budget Year Item # Program Codes | Allocation Amount State Federal Total Amount |
|--|---|--|--|--|
| 2.5d. Allocations for Projects with Cost Increases Greater than 120 Percent | | | | Resolution FP-05-58 |
| 1 \$14,020,000 Department of Transportation Mendocino 01N-Men-20 R33.3/R37.9 | Near Calpella, from the Calpella Overcrossing to Cold Creek Bridge. Rehabilitate roadway. | 297701 01-0164L SHOPP/04-05 \$8,686,000 | 2005-06 302-0042 302-0890 20.20.201.120 | \$1,608,094 \$12,411,906 \$14,020,000 |

**Project Location**

PROJECT DESCRIPTION

This project is located in Mendocino County near Calpella, from the North Calpella Overcrossing to Cold Creek Bridge. This project will rehabilitate the existing pavement structural section by repairing areas of severe pavement failure, followed by placement of open-graded asphalt concrete over dense-graded asphalt concrete. The scope of work also includes replacing the existing Metal Beam Guard Rail to bring them to current design standards, rehabilitating 52 existing drainage facilities within the limits of the project, and other minor slide repair work. The need for this project was identified by a prior deflection study that revealed pavement distress in the form of isolated to occasional cracking throughout most of the project limits.

FUNDING STATUS

The project is currently programmed in the 2004 SHOPP for \$8,686,000. This request for \$14,020,000 will result in an increase of \$5,334,000 (61%) above the programmed amount. This project is scheduled for advertisement in February 2006.

REASON FOR INCREASE

The increase in cost is attributed to the following:

- The programmed amount for all existing drainage features (\$850,000) was based on rehabilitation, at a minimum, or for replacement, if determined necessary. Based on the final plans, the revised cost for the drainage work is \$2,700,000.
- The previous estimate includes \$2,699,000 for asphalt concrete (AC) overlay, digouts/pavement preparation, replacing the AC dike. After the estimate was prepared, the AC overlay strategy was changed to rubberized asphalt concrete (RAC), consistent with the Department's goal of using a RAC strategy where possible. Due to increases in the cost of fuel and natural resources, the estimate for various AC items has increased to \$4,063,000 (including such items as, AC dike removal, AC surfacing removal, cold plane AC pavement, Class 2 aggregate base, AC surfacing replacement, AC (Type A), RAC, paving asphalt, pavement reinforcing fabric, and compensation adjustments for price index fluctuations of paving asphalt.

Additionally, there was an increase in the Traffic Management Plan (TMP) cost from \$125,000 to \$1,414,000. The TMP includes, but is not limited to, traffic control system, maintain traffic, CHP enhanced enforcement, construction area signs, portable changeable message signs, temporary railing (Type K), and temporary crash cushions. The increase in the TMP requirements was due to an inaccurate estimate. Moreover, the previous estimate did not include Metal Beam Guard Railing (MBGR) upgrades or associated Weed Control Mat (Fiber). The cost for these items is estimated to be \$595,000.

The remaining cost increase of \$235,000 is due to other miscellaneous items.

FUNDING OPTIONS

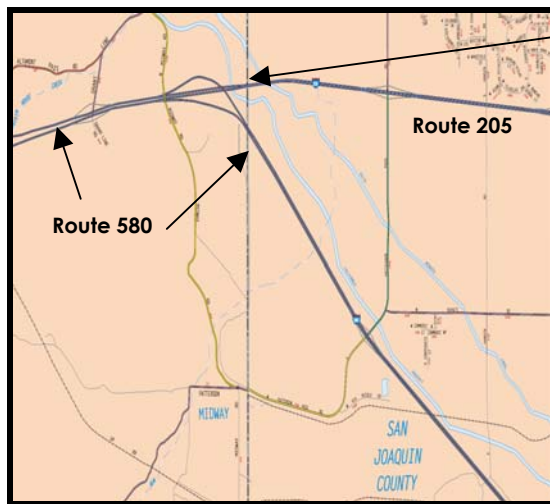
OPTION A: Approve this request as represented above for \$14,020,000 to allow this project to be advertised.

OPTION B: Deny this request and direct the Department to downscale the project to remain within the programmed amount. The only means to accomplish this would be to reduce the project limits.

RECOMMENDED OPTION

The Department recommends Option A.

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|---|--|--|--|--|
| 2.5d. Allocations for Projects with Cost Increases Greater than 120 Percent | | | | Resolution FP-05-58 |
| 2 \$24,271,000 Department of Transportation Alameda 04N-Ala-580 0.0/2.7 | Near Tracy, on Route 580 from the Alameda County line to 1.1 miles west of Grant Line Road, and on Route 205 from Midway Road to California Aqueduct. Construct truck climbing lane. | 470801 04-7860 SHOPP/04-05 \$15,700,000 | 2005-06 302-0042 302-0890 20.20.201.310 | \$2,046,000 \$22,225,000 \$24,271,000 |

**Project Location****PROJECT DESCRIPTION**

This project is located in Alameda County, on Route 580 from the Alameda County Line to 1.1 miles west of Grant Line Road, and on Route 205 from Midway Road to California Aqueduct. This project will construct a new two-lane freeway-to-freeway connector for cars only from westbound Route 580 to westbound Route 205. The new connector would connect to Route 205 on the median side of the westbound lanes. The existing westbound Route 580/westbound Route 205 connections would be re-designated as an exclusive truck bypass. Also included in the project is the extension of the outside freeway lane from Grant Line Road to a point 0.9 miles west.

FUNDING STATUS

The project is currently programmed in the 2004 SHOPP for \$15,700,000. This request for \$24,271,000 will result in an increase of \$8,571,000 (55%) above the programmed amount. The project was ready-to-list in June 2003 and is scheduled for advertisement in March 2006 pending approval of this allocation.

REASON FOR INCREASE

As a result of the recent rises in material and labor costs, the Department has reviewed the current market conditions and has revised the Engineer's Estimate. The following 7 items account for 77% of the increase in the current cost estimate. The remaining 23% of the cost increase was spread throughout the remaining 86 bid items.

| ITEM | UNIT | QUANTITY | MAY 2003 UNIT COST | NOVEMBER 2005 UNIT COST | COST INCREASE |
|-----------------------------------|--------------|----------|-------------------------------|-------------------------------|------------------|
| 1. Time Related Overhead | Working days | 590 | \$1,790 (540 working days) | \$3,240 | \$945,500 |
| 2. Asphalt Concrete | TONN | 25,000 | \$40 (22,200 Tonn) | \$75 | \$987,000 |
| 3. Structural Concrete, Bridge | M3 | 3972 | \$445 | \$1,000 | \$2,204,460 |
| 4. Bar Reinforcing Steel (Bridge) | KG | 681882 | \$1.06 | \$2.50 | \$981,910 |
| 5. Mobilization | LS | LS | \$1,316,000 | \$2,141,000 | \$825,000 |
| 6. Supplemental Work | LS | LS | \$479,000 | \$734,000 | \$255,000 |
| 7. Contingency | LS | LS | \$729,000 | \$1,156,012 | \$427,012 |

Cost increase for the above 7 items = \$6,624,982

FUNDING OPTIONS

OPTION A: Approve this request as represented above for \$24,271,000 to allow this project to be advertised.

OPTION B: Deny this request and direct the Department to downscale the project to remain within the programmed amount. This option is not feasible in meeting the purpose and need of the project.

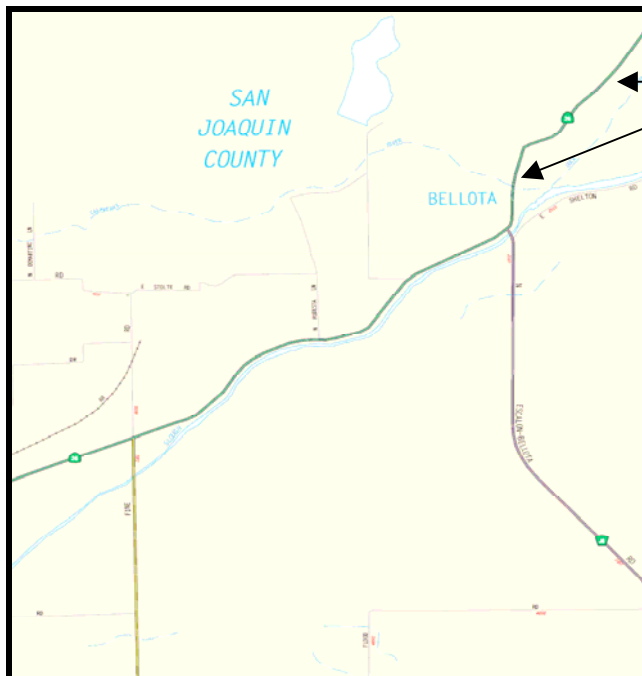
RECOMMENDED OPTION

The Department recommends Option A.

| Project # | Allocation Amount | EA (PPNO) | Budget Year | Allocation Amount |
|---|-------------------------|--|--------------------------|-------------------------|
| Recipient | County | Program/Year | Item # | State |
| Dist-Co-Rte | Location | Program | Program | Federal |
| Postmile | Project Description | Prog. Amount | Codes | Total Amount |
| 2.5d. Allocations for Projects with Cost Increases Greater than 120 Percent | | | | Resolution FP-05-58 |
| 3 | \$18,274,000 | In Los Angeles near La Carescenta, from Route 210 to San Bernardino County line. Rehabilitate pavement. | 214201 | 2005-06 |
| Los Angeles | 07S-LA-2 | 07-2790 | 302-0042 | \$18,274,000 |
| 24.4/82.3 | 24.4/82.3 | SHOPP/05-06 | 302-0890 | \$18,274,000 |
| | | \$14,292,000 | 20.20.201.124 | \$18,274,000 |

Project #3 has been withdrawn.

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| 2.5d. Allocations for Projects with Cost Increases Greater than 120 Percent | | | | Resolution FP-05-58 |
| 4 \$3,039,000 Department of Transportation San Joaquin 10N-SJ-26 15.3/15.8 | Near Linden, east of Escalon Bellota Road. Realign existing curve. | 499001 10-7486 SHOPP/05-06 \$2,348,000 | 2005-06 302-0042 302-0890 20.20.201.010 | \$349,000 \$2,690,000 \$3,039,000 |



Project Limits

**PROJECT DESCRIPTION**

This safety project is located in San Joaquin County near Escalon-Bellota Road, on Route 26 between post mile 15.3 and 15.9. This project proposes to correct the existing horizontal and vertical alignment of two existing curves on Route 26, northeast of the Calaveras River Bridge. This project is scheduled for advertisement in February 2006 pending approval of this allocation.

FUNDING STATUS

The project is currently programmed in the 2004 SHOPP for \$2,348,000. This request for \$3,039,000 will result in an increase of \$691,000 (29%) above the programmed amount.

REASON FOR INCREASE

The increase in cost is due to an outdated estimate. This project Plans, Specifications and Estimate (PS&E) was completed in April 2005 with an estimate of \$2,348,000. The project could not be allocated at that time, as the project did not achieve Right of Way (R/W) Certification 1 until November 2005. The estimate was not updated prior to allocation.

As a result of the recent rises in material and labor costs, the Department has reviewed the current market conditions and has revised the Engineer's Estimate. The following items account for 96% of the increase in the current cost estimate. The remaining 4% of the cost increase is spread throughout the remaining bid items.

| ITEM | UNIT | QUANTITY | APRIL 2005 ESTIMATE | NOVEMBER 2005 ESTIMATE | COST INCREASE |
|------------------------------------|-------|----------|---------------------------|---------------------------|------------------|
| 1. Roadway Excavation | M3 | 52,000 | \$777,000 (\$15/M3) | \$1,300,000 (\$25/M3) | \$523,000 |
| 2. Asphalt Concrete (Type B) | Tonne | 3,150 | \$214,900 (\$70/Tonne) | \$283,500 (\$90/Tonne) | \$68,600 |
| 3. Mobilization | LS | LS | \$208,000 | \$273,000 | \$65,000 |
| 4. Supplemental Work | LS | LS | \$98,600 | \$108,600 | \$10,000 |

Cost increase for the above 4 items = \$660,600

FUNDING OPTIONS

OPTION A: Approve this request as represented above for \$3,039,000 to allow this project to be advertised.

OPTION B: Deny this request and direct the Department to downscale the project to remain within the programmed amount. This option is not feasible in meeting the purpose and need of the project.

RECOMMENDED OPTION

The Department recommends Option A.